Verification Application Required Documents Rationale

All documents listed here are required to be submitted at the time of application. If you do not have the document for a document type, submit a letter of explanation for it. The documents in *Other Documents* section are only required when your business has the related business relationships.

During application review, additional documents may be requested by the examiners at their discretion. Documents that may be reviewed are identified under 38 CFR 74.12 and 38 CFR 74.20.

NOTE: Do not upload any password-protected documents. Center for Verification and Evaluation (CVE) is not able to verify the password-protected documents.

Sole Proprietorship

Document Type	Description	Rationale
General Information		
Business <u>licenses</u> , <u>permits</u> or <u>accreditations</u>	Licenses, permits, and accreditations are issued after the determining authority validates the applicant is in compliance with all appropriate city, county and state statutes and ordinances. They are then authorized to operate the specific type of business identified on the license.	Used to determine if the concern is operating the "type" of business legally in the state where it is chartered to perform services. Also, the legality of the tenant space can be verified against the address listed on the license. If not the same, It is important to investigate whether the company has moved its location.
Trade licenses and certifications	Trade licenses and certifications are issued after determining applicant has satisfied the applicable industry criteria within the business segment. They are then authorized to operate the specific type of business or specialty identified on the license. For an assumed or fictions name, an official letter from the state that the concern has registered under an assumed or fictitious name (e.g., doing business as - d/b/a).	Used to determine if the concern is operating the "trade" of business legally in the state where it is chartered to perform services and the Veteran owner has the appropriate knowledge and skill level to operate in that field. In the case of an assumed or fictitious name, it helps to identify the name (e.g., d/b/a) a concern is operating under.

Document Type	Description	Rationale
Approval letters for	A SCIF or Top Secret facility is a container, room or	Used to determine control. This document is reviewed because
businesses with	building where classified material is stored or	the Veteran or person who has majority control of the company
Sensitive	handled. The security officer oversees access to this	is usually listed as the Primary Security Officer or as the
Compartmented	facility.	alternate for access to these facilities. This is more prevalent in
Information Facility		small to mid-size (up to 100 employees) companies.
(SCIF) or "Vault"		
Resumes of all owners,	One to two-page chronological resume listing the	The reflected experience level helps CVE determine the Veteran
directors, partners,	current and previous occupation, job	owner's ability to control and manage the applicant concern.
officers and other key	description/duties, education, personal identifying	The resume is reviewed to determine if he/she has the
personnel	information, dates, skills, abilities, and etc.	prerequisites, qualifications, and knowledge to operate and
		manage the type of company as identified.
Financial Information		
IRS Form 1040 and all	Identifies the proprietor, principal business and the	Verifies employment and income and where profits are going.
attached <u>W-2s</u> ,	name of the business. Everyone with 33% or more	Indicates good standing with the IRS, and facilitates cross-
Schedule C, and	ownership must submit a complete IRS Form 1040	checking for affiliation. The individual IRS Form 1040 is used to
Schedule E for the past	along with all attached W-2s, Schedule C, and	verify good standing with IRS, income, and employment.
three years for business	Schedule E forms for the past three years. The	
and personal tax filings	total amounts on the W-2s must be equal to line 7	
	on the Form 1040. Identifies the proprietor,	
	principal business and the name of the business.	
	An individual in business for themselves, or who	
	operates a trade or business as a sole proprietor or	
	an independent contractor generally files a	
	Schedule C with IRS Form 1040. Partnerships, joint	
	ventures, etc., generally must file Form 1065.	
Signature cards	Card that a customer signs when opening an	Used to determine control. The bank signature card identifies
authenticated by	account at a financial institution. It identifies the	who within the company has the authority to authorize and
financial institutions	depositor. A corporate signature card bears the	sign checks on behalf of the company. The Veteran owner of
(Banks, Credit Unions,	names of the firm's officers authorized to sign	the company should have authority on this. There may be two
etc.)	checks or transfer funds.	people with authority but the Veteran owner should be the one
		with the "unlimited" expressed authority.

Document Type	Description	Rationale
On-line banking letter (reserved for on-line banks only (i.e., USAA, Orange, etc.)	Letter from a financial institution identifying the account owner and authorized users.	Used to determine control. The letter identifies who within the company has the authority to authorize and make withdrawals and deposits on behalf of the company. The Veteran owner of the company should have authority on this. There may be two people with authority but the Veteran owner should be the one with the "unlimited" expressed authority.
Copies of approximately 20 negotiated company checks	Cancelled checks (written and cashed) normally signed by owner or authorized account user. Do not submit blank or voided checks.	CVE requests these to determine if the Veteran is authorizing financial obligations on behalf of the company and if not, who within the company does so. In addition, CVE is attempting to identify if the checks are from the company or are being authored from another business. If the applicant uses electronic banking only, a Detailed Letter of Explanation stating this will suffice in lieu of the cancelled checks.
Payroll Distribution Ledger or W-2s (Wage and Tax Statement) for preceding year (Full Year) and year-to-date (Jan. to present) for employees	The payroll distribution ledger or W-2 statement with all Personally Identifiable Information (PII) redacted for the full preceding year as well as the current year-to-date showing all employees and/or contractors and wages/commissions/distributions earned.	CVE requests these documents to ensure the Veteran owner meets the highest paid individual requirement.
Copies of last 5 contracts and/or proposals to include Bids and purchase orders or work agreements (Cover page and Signature page only).	Copies of the Cover page and Signature page only of the last 5 contracts and/or proposals, to include bids and purchase orders or work agreements (Cover page and Signature page only) that the applicant has submitted/been awarded.	CVE requests these documents to identify if the concern is conducting business and determine that the Veteran owner has the ability to sign documents and make decisions for the concern.

Management		
Information		
Current lease	The lease agreement is an agreement between a	Enables CVE to verify the business address and that the concern
agreements to include	landlord and tenant that sets out the terms under	has the legal authority to occupy the space. Includes lease,
supporting payments	which a tenant may occupy and use a commercial	management, or service agreements. CVE may review 2-3
supporting payments	property. It also creates a legal right for the tenant	random months of checks to validate that the Veteran applicant
	to occupy the property. Other types of agreements	company is actually making payment for the binding services,
	are similar. The supporting payments (checks, etc.)	demonstrating that applicant is not dependent on another firm.
	document the agreements are in effect.	action of a control of a contro
Management and	These agreements are established between the	Enables CVE to verify the business address and that the concern
Services agreements to	concern and service provider and generally	has the legal authority to use the management services.
include supporting	incorporated or attached to an occupancy lease	
payments	agreement. They define the terms under which a	
	tenant may use a commercial property and its	
	services (communication, mail services, etc.). The	
	supporting payments (checks, etc.) document the	
	agreements are in effect.	
Official Certificate of	Official letter from the secretary of state reflecting	Enables CVE to verify address and company name and ensure
<u>Formation</u>	the applicant is authorized to do business in the	the applicant is registered with the state as a business.
	state.	
Minutes of the first and	Permanent, formal, and detailed (although not	Identifies individuals authorized to make and carry out actions
most recent	verbatim) record of business transacted, and	on behalf of the corporation. The Veteran applicant must
Stockholder and Board	resolutions adopted to exercise the rights and	control business decisions. Minutes must explain any changes
of Directors meetings	powers and to perform the duties and obligations	since the establishment of any organizing documents .
	in accordance with the corporation's organizing	
	documents. Minutes are considered legal	
	documents by auditors, IRS and courts, and they	
	represent the actions of the board.	
Letter of Explanation -	The Veteran owner must demonstrate he/she has	One or more Veteran(s) must be able to control the concern's
Control	have control over the decision making, finances,	decision-making without requiring the presence or assent of a
	and management of the concern. Although	non-Veteran. One or more non-Veterans cannot outvote the
	delineation of functions and responsibilities such as	Veteran.
	check writing is permissible, the concern should	
	have a policy identifying what functions and	

	responsibilities have been delegated and to whom.	
Letter of Explanation - Community Property	Joint ownership of property between married couples that is recognized in the following jurisdictions: Arizona, California, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin. In certain jurisdictions, married couples can elect to have some or all of their property treated as community property by stating so in a written contract.	The Veteran should provide a letter of disclaimer of Community Property interest in which the non-Veteran spouse disclaims his/her Community Property interest in the concern. The disclaimer letter should be signed by the non-Veteran spouse disclaiming interest.
Letter of Explanation - Highest Paid	Documentation that explains why the Veteran owner(s) is not the highest paid employee	The applicant must provide a letter of explanation identifying how the Veteran receiving a lower salary, or no salary, benefits the applicant.
Letter of Explanation - Outside Employment	Documentation that supports that the Veteran owner(s) holding outside employment, management positions, or ownership in other entities.	The concern must provide a letter of explanation outlining the impact this outside activity may have on the owner's ability to manage and control the concern; how these activities affect the Veteran/Service-Disabled Veteran's ability to work sustained and significant hours during the normal business hours of other companies in related fields as well as how these activities impact the Veteran's ability to manage the day-to-day business of the concern.
Letter of Explanation - Ownership	Documentation provided must support the Veteran owner having 51% ownership of the applicant.	The Veteran must own at least 51% of the applicant
Letter of Explanation - Documents not required to be filed with the state or territory	State or territory does not require certain documents such as a partnership or operating agreement to be filed as part of business registration.	The concern must provide a letter of explanation clearly delineating all elements of an operating agreement to include how the company is organized and managed, how decisions are made, number of partners and/or members, roles, responsibilities, and voting rights of each. For other documents such as licenses, the concern must provide a LOE stating such.
Letter of Explanation - Start up	Concern is a start-up and less than 6 months old at time of application.	Business taxes must be provided with a Letter of Explanation for the years not provided. If the company is 6 months or less old and the company does not have 20 cancelled checks or

		payroll, a Letter of Explanation must be submitted to provide an explanation that the items are not available or concern has not generated a payroll due to being a startup business.
Letter of Explanation - Transfer of ownership to/from a family member	Veteran obtained majority ownership of concern from a spouse and/or immediate family member within 2 years of applying.	Veteran obtained majority ownership of concern from a spouse and/or immediate family member within the last two years and the spouse and/or immediate family member who transferred ownership remains involved in the concern in a key personnel
		role, a Letter of Explanation must be provided describing the management experience and job related skills the Veteran holds pertaining to the particular industry of the concern.

General Partnership

Document Type	Description	Rationale
General Information		
Business <u>licenses</u> , <u>permits</u> or <u>accreditations</u>	Licenses, permits, and accreditations are issued after the determining authority validates the applicant is in compliance with all appropriate city, county and state statutes and ordinances. They are then authorized to operate the specific type of business identified on the license.	Used to determine if the concern is operating the "type" of business legally in the state where it is chartered to perform services. Also, the legality of the tenant space can be verified against the address listed on the license. If not the same, It is important to investigate whether the company has moved its location.
Trade licenses and certifications	Trade licenses and certifications are issued after determining applicant has satisfied the applicable industry criteria within the business segment. They are then authorized to operate the specific type of business or specialty identified on the license. For an assumed or fictitious name, an official letter from the state that the concern has registered under an assumed or fictitious name (e.g., doing business as - d/b/a).	Used to determine if the concern is operating the "trade" of business legally in the state where it is chartered to perform services and the Veteran owner has the appropriate knowledge and skill level to operate in that field. In the case of an assumed or fictitious name, it helps to identify the name (e.g., d/b/a) a concern is operating under.
Approval letters for businesses with Sensitive	A SCIF or Top Secret facility is a container, room or building where classified material is stored or handled. The security officer oversees access to	Used to determine control. This document is reviewed because the Veteran or person who has majority control of the company is usually listed as the Primary Security Officer or as the

Document Type	Description	Rationale
Compartmented Information Facility (SCIF) or "Vault"	this facility.	alternate for access to these facilities. This is more prevalent in small to mid-size (up to 100 employees) companies.
Resumes of all owners, directors, partners, officers and other key personnel	One to two-page chronological resume listing the current and previous occupation, job description/duties, education, personal identifying information, dates, skills, abilities, and etc.	The reflected experience level helps CVE determine the Veteran owner's ability to control and manage the applicant concern. The resume is reviewed to determine if he/she has the prerequisites, qualifications, and knowledge to operate and manage the type of company as identified.
Financial Information		
IRS Form 1040 and all attached W-2s, Schedule C, and Schedule E for the past three years for business and personal tax filings	Identifies the proprietor, principal business and the name of the business. Everyone with 33% or more ownership must submit a complete IRS Form 1040 along with all attached W-2s, Schedule C, and Schedule E forms for the past three years. The total amounts on the W-2s must be equal to line 7 on the Form 1040. Identifies the proprietor, principal business and the name of the business. An individual in business for themselves, or who operates a trade or business as a sole proprietor or an independent contractor generally files a Schedule C with IRS Form 1040. Partnerships, joint ventures, etc., generally must file Form 1065.	Verifies employment and income and where profits are going. Indicates good standing with the IRS, and facilitates cross-checking for affiliation. The individual IRS Form 1040 is used to verify good standing with IRS, income, and employment.
Appropriate IRS tax form filed; If filed as Sole Proprietorship (Schedule C), partnership (IRS Form 1065 and corresponding K-1) for the past three years	The 1065 (Partnership tax return) identifies the partners' share of income or loss from a partnership. The Schedule K-1 requires the partnership name, address, partnership EIN, partners' identification number, partners' name and address, partners' share of liabilities, taxable income from passive activities, taxable income from other activities, qualified dividends, net capital gain (loss) from passive activities, net capital gain (loss) from other activities, net passive AMT adjustment, net other AMT adjustment, general	Used to determine control. Box G provides the partner with two choices; - (1) General partner or LLC member-manager or (2) Limited partner or other LLC member. To identify that they are the controlling manager, they must check the first box indicating that they are a "General partner or LLC member-manager." Box J will also identify the profit, loss, and Capital percentages both on the beginning and year end statement. These percentages are generally based on the Partnership agreement.

Document Type	Description	Rationale
	credits, low income housing credits and any other	
	information the partnership needs to include. Of	
	importance, Box G identifies the type of partner .	
K-1	Shows ownership percentages of the applicant	Used to determine ownership and any ownership changes
Signature cards	Card that a customer signs when opening an	Used to determine control. The bank signature card identifies
authenticated by	account at a financial institution. It identifies the	who within the company has the authority to authorize and sign
financial institutions	depositor. A corporate signature card bears the	checks on behalf of the company. The Veteran owner of the
(Banks, Credit Unions,	names of the firm's officers authorized to sign	company should have authority on this. There may be two
etc.)	checks or transfer funds.	people with authority but the Veteran owner should be the one with the "unlimited" expressed authority.
On-line banking letter	Letter from a financial institution identifying the	Used to determine control. The letter identifies who within the
(reserved for on-line	account owner and authorized users.	company has the authority to authorize and make withdrawals
banks only (i.e., USAA,		and deposits on behalf of the company. The Veteran owner of
Orange, etc.)		the company should have authority on this. There may be two
		people with authority but the Veteran owner should be the one
		with the "unlimited" expressed authority.
Copies of	Cancelled checks (written and cashed) normally	CVE requests these to determine if the Veteran is authorizing
approximately <u>20</u>	signed by owner or authorized account user. Do	financial obligations on behalf of the company and if not, who
negotiated company	not submit blank or voided checks.	within the company does so. In addition, CVE is attempting to
<u>checks</u>		identify if the checks are from the company or are being
		authored from another business. If the applicant uses electronic
		banking only, a Detailed Letter of Explanation stating this will
		suffice in lieu of the cancelled checks.
Payroll Distribution	The payroll distribution ledger or W-2 statement	CVE requests these documents to ensure the Veteran owner
Ledger or W-2s (Wage	with all Personally Identifiable Information (PII)	meets the highest paid individual requirement.
and Tax Statement) for	redacted for the full preceding year as well as the	
preceding year (Full	current year-to-date showing all employees and/or	
Year) and year-to-date	contractors and wages/commissions/distributions	
(January to present) for	earned.	
employees		

Description	Rationale
Copies of the Cover page and Signature page only of the last 5 contracts and/or proposals, to include bids and purchase orders or work agreements (Cover page and Signature page only) that the applicant has submitted/been awarded.	CVE requests these documents to identify if the concern is conducting business and determine that the Veteran owner has the ability to sign documents and make decisions for the concern.
The lease agreement is an agreement between a landlord and tenant that sets out the terms under which a tenant may occupy and use a commercial property. It also creates a legal right for the tenant to occupy the property. Other types of agreements are similar. The supporting payments (checks, etc.) document the agreements are in effect.	Enables CVE to verify the business address and that the concern has the legal authority to occupy the space. Includes lease, management, or service agreements. CVE may review 2-3 random months of checks to validate that the Veteran applicant company is actually making payment for the binding services, demonstrating that applicant is not dependent on another firm.
These agreements are established between the concern and service provider and generally incorporated or attached to an occupancy lease agreement. They define the terms under which a tenant may use a commercial property and its services (communication, mail services, etc.). The supporting payments (checks, etc.) document the agreements are in effect.	Enables CVE to verify the business address and that the concern has the legal authority to use the management services.
May be a separate agreement or incorporated into a concern's organizing document which identifies the percentage of voting rights for decision within a concern's operations.	Enables CVE to confirm the Veteran controls at least 51% of the total votes. This can be validated in the minutes of Stockholders or Board of Directors meetings as well as a separate document signed by all owners.
	Copies of the Cover page and Signature page only of the last 5 contracts and/or proposals, to include bids and purchase orders or work agreements (Cover page and Signature page only) that the applicant has submitted/been awarded. The lease agreement is an agreement between a landlord and tenant that sets out the terms under which a tenant may occupy and use a commercial property. It also creates a legal right for the tenant to occupy the property. Other types of agreements are similar. The supporting payments (checks, etc.) document the agreements are in effect. These agreements are established between the concern and service provider and generally incorporated or attached to an occupancy lease agreement. They define the terms under which a tenant may use a commercial property and its services (communication, mail services, etc.). The supporting payments (checks, etc.) document the agreements are in effect. May be a separate agreement or incorporated into a concern's organizing document which identifies

Document Type	Description	Rationale
Partnership	A written agreement which identifies the nature of	Enables CVE to determine if the Veteran Owner has control of
Agreements including	the business, capital contributed by each partner,	the concern. Verifies debt instrument (check, etc.) used to make
all amendments	and their rights and responsibilities. Partners are	purchase or investment into concern. Can also be validated on
	jointly and severally liable for the debts of the firm.	the Form 1065 and corresponding Form K-1 Box J for
	Even on withdrawing from the partnership they	partnerships which will show percentage of capital for
	remain liable for already incurred debts. The	corresponding tax year. The two percentages for capital should
	Partnership Agreement is also referred to as an	be the same.
	Agreement of Partnership or Articles of	
	Partnership.	
Official Certificate of	Official letter from the secretary of state reflecting	Enables CVE to verify address and company name and ensure
<u>Formation</u>	the applicant is authorized to do business in the	the applicant is registered with the state as a business.
	state.	
Minutes of the first and	Permanent, formal, and detailed (although not	Identifies individuals authorized to make and carry out actions
most recent	verbatim) record of business transacted, and	on behalf of the corporation. The Veteran applicant must
Stockholder and Board	resolutions adopted to exercise the rights and	control business decisions. Minutes must explain any changes
of Directors meetings	powers and to perform the duties and obligations	since the establishment of any organizing documents .
	in accordance with the corporation's organizing	
	documents. Minutes are considered legal	
	documents by auditors, IRS and courts, and they	
	represent the actions of the board.	
Stock registers for	A stock ledger is used to record the owners of a	Helps CVE determine majority ownership. Identifies the total
Applicant or stock	corporation. Stock certificates are issued to	number of membership units "issued" within the company, to
<u>ledgers</u> showing a	shareholders in a corporation and certificates of	include the total number issued to the Veteran applicant-owner.
listing of all shares of	ownership are issued to members in an LLC. All	The total number of units issued divided by the overall number
issuance	certificates must be tracked regardless of age. It	will provide the percentage of the company owned by the
	will include the name of the owners, number of the	Veteran. This percentage should be at least 51% or greater.
	certificates, number of membership units issued to	
	a particular owner, who sold the units to the	
	owner, and the type of membership units stock	
	issued to the owner.	

Other Documents		
Letter of Explanation - Control Letter of Explanation -	The Veteran owner must demonstrate he/she has have control over the decision making, finances, and management of the concern. Although delineation of functions and responsibilities such as check writing is permissible, the concern should have a policy identifying what functions and responsibilities have been delegated and to whom. Joint ownership of property between married	One or more Veteran(s) must be able to control the concern's decision-making without requiring the presence or assent of a non-Veteran. One or more non-Veterans cannot outvote the Veteran. The Veteran should provide a letter of disclaimer of Community
Community Property	couples that is recognized in the following jurisdictions: Arizona, California, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin. In certain jurisdictions, married couples can elect to have some or all of their property treated as community property by stating so in a written contract.	Property interest in which the non-Veteran spouse disclaims his/her Community Property interest in the concern. The disclaimer letter should be signed by the non-Veteran spouse disclaiming interest.
Letter of Explanation - Highest Paid	Documentation that explains why the Veteran owner(s) is not the highest paid employee	The applicant must provide a letter of explanation identifying how the Veteran receiving a lower salary, or no salary, benefits the applicant.
Letter of Explanation - Outside Employment	Documentation that supports that the Veteran owner(s) holding outside employment, management positions, or ownership in other entities.	The concern must provide a letter of explanation outlining the impact this outside activity may have on the owner's ability to manage and control the concern; how these activities affect the Veteran/Service-Disabled Veteran's ability to work sustained and significant hours during the normal business hours of other companies in related fields as well as how these activities impact the Veteran's ability to manage the day-to-day business of the concern.
Letter of Explanation - Ownership	Documentation provided must support the Veteran owner having 51% ownership of the applicant.	The Veteran must own at least 51% of the applicant
Letter of Explanation - Documents not required to be filed with the state or territory	State or territory does not require certain documents such as a partnership or operating agreement to be filed as part of business registration.	The concern must provide a letter of explanation clearly delineating all elements of an operating agreement to include how the company is organized and managed, how decisions are made, number of partners and/or members, roles, responsibilities, and voting rights of each. For other documents

		such as licenses, the concern must provide a LOE stating such.
Letter of Explanation - Start up	Concern is a start-up and less than 6 months old at time of application.	Business taxes must be provided along with a Letter of Explanation for the years not provided. If the company is six months or less old and the company does not have 20 cancelled checks or payroll, a Letter of Explanation must be submitted to provide an explanation that the items are not available or concern has not generated a payroll due to being a startup business.
Letter of Explanation - Transfer of ownership to/from a family member	Veteran obtained majority ownership of concern from a spouse and/or immediate family member within 2 years of applying.	Veteran obtained majority ownership of concern from a spouse and/or immediate family member within the last two years and the spouse and/or immediate family member who transferred ownership remains involved in the concern in a key personnel role, a Letter of Explanation must be provided describing the management experience and job related skills the Veteran holds pertaining to the particular industry of the concern.

Limited Liability Company (LLC) and Limited Liability Partnership (LLP)

Document Type	Description	Rationale
General Information		
Trade licenses and certifications	Trade licenses and certifications are issued after determining applicant has satisfied the applicable industry criteria within the business segment. They are then authorized to operate the specific type of business or specialty identified on the license. For an assumed or fictitious name, an official letter from the state that the concern has registered under an assumed or fictitious name (e.g., doing business as - d/b/a).	Rationale – Used to determine if the concern is operating the "trade" of business legally in the state where it is chartered to perform services and the Veteran owner has the appropriate knowledge and skill level to operate in that field. In the case of an assumed or fictitious name, it helps to identify the name (e.g., d/b/a) a concern is operating under.

Document Type	Description	Rationale
Approval letters for	A SCIF or Top Secret facility is a container, room or	Rationale – Used to determine control. This document is
businesses with	building where classified material is stored or	reviewed because the Veteran or person who has majority
Sensitive	handled. The security officer oversees access to	control of the company is usually listed as the Primary Security
Compartmented	this facility.	Officer or as the alternate for access to these facilities. This is
Information Facility		more prevalent in small to mid-size (up to 100 employees)
(SCIF) or "Vault"		companies.
Resumes of all owners,	One to two-page chronological resume listing the	Rationale – The reflected experience level helps CVE determine
directors, partners,	current and previous occupation, job	the Veteran owner's ability to control and manage the applicant
officers and other key	description/duties, education, personal identifying	concern. The resume is reviewed to determine if he/she has the
personnel	information, dates, skills, abilities, and etc.	prerequisites, qualifications, and knowledge to operate and
		manage the type of company as identified.
Financial Information		
IRS Form 1040 and all	Identifies the proprietor, principal business and the	Rationale – Verifies employment and income and where profits
attached <u>W-2s</u> ,	name of the business. Everyone with 33% or more	are going. Indicates good standing with the IRS, and facilitates
Schedule C, and	ownership must submit a complete IRS Form 1040	cross-checking for affiliation. The individual IRS Form 1040 is
Schedule E for the past	along with all attached W-2s, Schedule C, and	used to verify good standing with IRS, income, and employment.
three years for	Schedule E forms for the past three years. The	
business and personal	total amounts on the W-2s must be equal to line 7	
tax filings	on the Form 1040. Identifies the proprietor,	
	principal business and the name of the business.	
	An individual in business for themselves, or who	
	operates a trade or business as a sole proprietor or	
	an independent contractor generally files a	
	Schedule C with IRS Form 1040. Partnerships, joint	
	ventures, etc., generally must file Form 1065.	
Appropriate IRS tax	The 1065 (Partnership tax return) identifies the	Rationale – Used to determine control. Box G provides the
form filed; If filed as	partners' share of income or loss from a	partner with two choices; - (1) General partner or LLC member-
Sole Proprietorship	partnership. The Schedule K-1 requires the	manager or (2) Limited partner or other LLC member. To
(Schedule C),	partnership name, address, partnership EIN,	identify that they are the controlling manager, they must check
partnership (IRS Form	partners' identification number, partners' name	the first box indicating that they are a "General partner or LLC
<u>1065 and</u>	and address, partners' share of liabilities, taxable	member-manager." Box J will also identify the profit, loss, and
corresponding K-1) for	income from passive activities, taxable income	Capital percentages both on the beginning and year end
the past three years	from other activities, qualified dividends, net	statement. These percentages are generally based on the

Document Type	Description	Rationale
	capital gain (loss) from passive activities, net capital gain (loss) from other activities, net passive AMT adjustment, net other AMT adjustment, general credits, low income housing credits and any other information the partnership needs to include. Of importance, Box G identifies the type of partner .	Partnership agreement.
K-1	Shows ownership percentages of the applicant	Rationale –Used to determine ownership and any ownership changes
Signature cards authenticated by financial institutions (Banks, Credit Unions, etc.) On-line banking letter	Card that a customer signs when opening an account at a financial institution. It identifies the depositor. A corporate signature card bears the names of the firm's officers authorized to sign checks or transfer funds. Letter from a financial institution identifying the	Rationale – Used to determine control. The bank signature card identifies who within the company has the authority to authorize and sign checks on behalf of the company. The Veteran owner of the company should have authority on this. There may be two people with authority but the Veteran owner should be the one with the "unlimited" expressed authority. Rationale – Used to determine control. The letter identifies who
(reserved for on-line banks only (i.e., USAA, Orange, etc.)	account owner and authorized users.	within the company has the authority to authorize and make withdrawals and deposits on behalf of the company. The Veteran owner of the company should have authority on this. There may be two people with authority but the Veteran owner should be the one with the "unlimited" expressed authority.
Copies of approximately <u>20</u> negotiated company checks	Cancelled checks (written and cashed) normally signed by owner or authorized account user. Do not submit blank or voided checks.	Rationale – CVE requests these to determine if the Veteran is authorizing financial obligations on behalf of the company and if not, who within the company does so. In addition, CVE is attempting to identify if the checks are from the company or are being authored from another business. If the applicant uses electronic banking only, a Detailed Letter of Explanation stating this will suffice in lieu of the cancelled checks.
Payroll Distribution Ledger or W-2s (Wage and Tax Statement) for preceding year (Full	The payroll distribution ledger or W-2 statement with all Personally Identifiable Information (PII) redacted for the full preceding year as well as the current year-to-date showing all employees and/or	Rationale - CVE requests these documents to ensure the Veteran owner meets the highest paid individual requirement.

Document Type	Description	Rationale
Year) and year-to-date (Jan. to present) for employees	contractors and wages/commissions/distributions earned.	
Copies of last 5 contracts and/or proposals to include Bids and purchase orders or work agreements (Cover page and Signature page only).	Copies of the Cover page and Signature page only of the last 5 contracts and/or proposals, to include bids and purchase orders or work agreements (Cover page and Signature page only) that the applicant has submitted/been awarded.	Rationale - CVE requests these documents to identify if the concern is conducting business and determine that the Veteran owner has the ability to sign documents and make decisions for the concern.
Management		
Information		
Current <u>lease</u>	The lease agreement is an agreement between a	Rationale – Enables CVE to verify the business address and that
agreements to include	landlord and tenant that sets out the terms under	the concern has the legal authority to occupy the space.
supporting payments	which a tenant may occupy and use a commercial	Includes lease, management, or service agreements. CVE may
	property. It also creates a legal right for the tenant	review 2-3 random months of checks to validate that the
	to occupy the property. Other types of agreements	Veteran applicant company is actually making payment for the
	are similar. The supporting payments (checks, etc.)	binding services, demonstrating that applicant is not dependent
	document the agreements are in effect.	on another firm.
Management and	These agreements are established between the	Rationale – Enables CVE to verify the business address and that
Services agreements to	concern and service provider and generally	the concern has the legal authority to use the management
include supporting	incorporated or attached to an occupancy lease	services.
payments	agreement. They define the terms under which a	
	tenant may use a commercial property and its	
	services (communication, mail services, etc.). The	
	supporting payments (checks, etc.) document the	
	agreements are in effect.	

Document Type	Description	Rationale
Operating Agreement including all amendments	An agreement among Limited Liability Company (LLC) members governing the LLC's business and their financial and managerial rights and duties. Many states require a LLC to have an Operating Agreement. Operating Agreements generally address the members percentage interests in the LLC, rights and responsibilities, voting powers, how profits and losses will be allocated, how the LLC will be managed, rules for holding meetings and taking votes, and buy-out and sell provisions, which determine what happens when a member wants to sell his interest, dies, or becomes disabled.	Rationale Rationale – Enables CVE to determine that the Veteran owner has requisite ownership and control of the firm, and the concern has full expressed written authority to make all final decisions regarding the operations of the company and authority to bind the company on all contracts. The Veteran applicant should have sole expressed authority per the Operating Agreement without consent of the member limited partners.
Legal Structure	Self instructest, dies, of becomes disabled.	
Voting agreements or documents (i.e., proxies and voting trust agreements) Shareholders Agreement, including all amendments	May be a separate agreement or incorporated into a concern's organizing documents which identifies the percentage of voting rights for decision within a concern's operations. An employment agreement among the shareholders of a small corporation permitting a shareholder to take a management position with the corporation without any claim of conflict of interest or self-dealing against the shareholder.	Rationale –Enables CVE to confirm the Veteran controls at least 51% of the total votes. This can be validated in the minutes of Stockholders or Board of Directors meetings as well as a separate document signed by all owners. Rationale – Enables CVE to determine that the Veteran has authority to make management decisions, and has control over decisions. The Shareholder agreement will identify the controlling shareholder of the corporation, their responsibilities, and their rights as the controlling shareholder. Their rights should authorize them to make prevailing managerial decisions without authorization from other shareholders.
Equity participation or equity plans, restricted stock or ownership interests or options for stock or ownership interest or plans	An employer must prepare an equity plan which complies with the requirements set forth in the Employment Equity Act. The plan must list the positive policies and practices that the employer intends to institute in the next one to three years to correct under-representation of designated group members which has been identified in the workforce analysis.	Rationale – Enables CVE to determine if the Veteran has control of the applicant concern, by identifying equity ownership and authority for the granting of equity.

Document Type	Description	Rationale
Official Certificate of	Official letter from the secretary of state reflecting	Rationale – Enables CVE to verify address and company name
<u>Formation</u>	the applicant is authorized to do business in the	and ensure the applicant is registered with the state as a
	state.	business.
Minutes of the first and	Permanent, formal, and detailed (although not	Rationale – Identifies individuals authorized to make and carry
most recent	verbatim) record of business transacted, and	out actions on behalf of the corporation . The Veteran applicant
Stockholder and Board	resolutions adopted to exercise the rights and	must control business decisions. Minutes must explain any
of Directors meetings	powers and to perform the duties and obligations	changes since the establishment of any organizing documents.
	in accordance with the corporation's organizing	
	documents. Minutes are considered legal	
	documents by auditors, IRS and courts, and they	
	represent the actions of the board.	
Stock registers for	A stock ledger is used to record the owners of a	Rationale – Helps CVE determine majority ownership. Identifies
Applicant or stock	corporation. Stock certificates are issued to	the total number of membership units "issued" within the
<u>ledgers</u> showing a	shareholders in a corporation and certificates of	company, to include the total number issued to the Veteran
listing of all shares of	ownership are issued to members in an LLC. All	applicant-owner. The total number of units issued divided by
issuance	certificates must be tracked regardless of age. It	the overall number will provide the percentage of the company
	will include the name of the owners, number of the	owned by the Veteran. This percentage should be at least 51%
	certificates, number of membership units issued to	or greater.
	a particular owner, who sold the units to the	
	owner, and the type of membership units stock	
	issued to the owner.	
Other Documents		
Letter of Explanation -	The Veteran owner must demonstrate he/she has	Rationale - One or more Veteran(s) must be able to control the
Control	have control over the decision making, finances,	concern's decision-making without requiring the presence or
	and management of the concern. Although	assent of a non-Veteran. One or more non-Veterans cannot
	delineation of functions and responsibilities such as	outvote the Veteran.
	check writing is permissible, the concern should	
	have a policy identifying what functions and	
	responsibilities have been delegated and to whom.	
Letter of Explanation -	Joint ownership of property between married	Rationale - The Veteran should provide a letter of disclaimer of
Community Property	couples that is recognized in the following	Community Property interest in which the non-Veteran spouse
	jurisdictions: Arizona, California, Guam, Idaho,	disclaims his/her Community Property interest in the concern.
	Louisiana, Nevada, New Mexico, Puerto Rico,	The disclaimer letter should be signed by the non-Veteran

Document Type	Description	Rationale
	Texas, Washington, and Wisconsin. In certain jurisdictions, married couples can elect to have some or all of their property treated as community property by stating so in a written contract.	spouse disclaiming interest.
Letter of Explanation - Highest Paid	Documentation that explains why the Veteran owner(s) is not the highest paid employee	Rationale - The applicant must provide a letter of explanation identifying how the Veteran receiving a lower salary, or no salary, benefits the applicant.
Letter of Explanation - Outside Employment	Documentation that supports that the Veteran owner(s) holding outside employment, management positions, or ownership in other entities.	Rationale - The concern must provide a letter of explanation outlining the impact this outside activity may have on the owner's ability to manage and control the concern; how these activities affect the Veteran/Service-Disabled Veteran's ability to work sustained and significant hours during the normal business hours of other companies in related fields as well as how these activities impact the Veteran's ability to manage the day-to-day business of the concern.
Letter of Explanation - Ownership	Documentation provided must support the Veteran owner having 51% ownership of the applicant.	Rationale - The Veteran must own at least 51% of the applicant
Letter of Explanation - Documents not required to be filed with the state or territory	State or territory does not require certain documents such as a partnership or operating agreement to be filed as part of business registration.	Rationale - The concern must provide a letter of explanation clearly delineating all elements of an operating agreement to include how the company is organized and managed, how decisions are made, number of partners and/or members, roles, responsibilities, and voting rights of each. For other documents such as licenses, the concern must provide a LOE stating such.
Letter of Explanation - Start up	Concern is a startup and less than 6 months old at time of application.	Rationale - Business taxes must be provided along with a Letter of Explanation for the years not provided. If the company is six months or less old and the company does not have 20 cancelled checks or payroll, a Letter of Explanation must be submitted to provide an explanation that the items are not available or concern has not generated a payroll due to being a startup business.

Document Type	Description	Rationale
Letter of Explanation - Transfer of ownership to/from a family member	Description - Veteran obtained majority ownership of concern from a spouse and/or immediate family member within 2 years of applying.	Rationale - Veteran obtained majority ownership of concern from a spouse and/or immediate family member within the last two years and the spouse and/or immediate family member who transferred ownership remains involved in the concern in a key personnel role, a Letter of Explanation must be provided
		describing the management experience and job related skills the Veteran holds pertaining to the particular industry of the concern.

C Corporation (Inc. or Ltd.) and Sub Chapter S Corporation (Inc. or Ltd.)

Document Type	Description	Rationale
General Information		
Trade licenses and certifications	<u>Description</u> - Trade licenses and certifications are issued after determining applicant has satisfied the applicable industry criteria within the business segment. They are then authorized to operate the specific type of business or specialty identified on the license. For an assumed or fictitious name, an official letter from the state that the concern has registered under an assumed or fictitious name (e.g., doing business as - d/b/a).	Rationale – Used to determine if the concern is operating the "trade" of business legally in the state where it is chartered to perform services and the Veteran owner has the appropriate knowledge and skill level to operate in that field. In the case of an assumed or fictitious name, it helps to identify the name (e.g., d/b/a) a concern is operating under.
Approval letters for businesses with Sensitive Compartmented Information Facility (SCIF) or "Vault"	Description - A SCIF or Top Secret facility is a container, room or building where classified material is stored or handled. The security officer oversees access to this facility.	Rationale – Used to determine control. This document is reviewed because the Veteran or person who has majority control of the company is usually listed as the Primary Security Officer or as the alternate for access to these facilities. This is more prevalent in small to mid-size (up to 100 employees) companies.
Resumes of all owners, directors, partners, officers and other key personnel	Description - One to two-page chronological resume listing the current and previous occupation, job description/duties, education, personal identifying information, dates, skills, abilities, and etc.	Rationale – The reflected experience level helps CVE determine the Veteran owner's ability to control and manage the applicant concern. The resume is reviewed to determine if he/she has the prerequisites, qualifications, and knowledge to operate and manage the type of company as identified.

Document Type	Description	Rationale
Financial Information		
IRS Form 1040 and all	<u>Description</u> - Identifies the proprietor, principal	Rationale – Verifies employment and income and where profits
attached <u>W-2s</u> ,	business and the name of the business. Everyone	are going. Indicates good standing with the IRS, and facilitates
Schedule C, and	with 33% or more ownership must submit a	cross-checking for affiliation. The individual IRS Form 1040 is
Schedule E for the past	complete IRS Form 1040 along with all attached W-	used to verify good standing with IRS, income, and employment.
three years for	2s, Schedule C, and Schedule E forms for the past	
business and personal	three years. The total amounts on the W-2s must	
tax filings	be equal to line 7 on the Form 1040. Identifies the	
	proprietor, principal business and the name of the	
	business. An individual in business for themselves,	
	or who operates a trade or business as a sole	
	proprietor or an independent contractor generally	
	files a Schedule C with IRS Form 1040. Partnerships,	
	joint ventures, etc., generally must file Form 1065.	
IRS Form 1120S and	<u>Description</u> - Schedule K-1 of Form 1120S is used to	Rationale – Used to determine ownership. Part II, Box F
corresponding <u>K-1</u> for	report each shareholder's pro-rated share of net	identifies the shareholder's percentage of stock ownership for
the past three years	income or loss from an S-Corporation, along with	the corresponding tax year. This form helps prove percentage of
	various separately stated income and deduction	ownership.
	items. The S-Corporation nets non-separately	
	stated income and expenses, and reports the net	
	income or loss to shareholders. The profit or loss is	
	allocated in strict proportion to the shareholder's	
	percentage of ownership in the S-Corporation. Box	
	F identifies the Shareholder's percentage of stock	
	ownership for tax year.	
K-1	<u>Description</u> - Shows ownership percentages of the	Rationale –Used to determine ownership and any ownership
	applicant	changes
Signature cards	<u>Description</u> - Card that a customer signs when	Rationale – Used to determine control. The bank signature card
authenticated by	opening an account at a financial institution. It	identifies who within the company has the authority to
financial institutions	identifies the depositor. A corporate signature card	authorize and sign checks on behalf of the company. The
(Banks, Credit Unions,	bears the names of the firm's officers authorized to	Veteran owner of the company should have authority on this.
etc.)	sign checks or transfer funds.	There may be two people with authority but the Veteran owner
		should be the one with the "unlimited" expressed authority.

Document Type	Description	Rationale
On-line banking letter	Description - Letter from a financial institution	Rationale – Used to determine control. The letter identifies who
(reserved for on-line	identifying the account owner and authorized	within the company has the authority to authorize and make
banks only (i.e., USAA,	users.	withdrawals and deposits on behalf of the company. The
Orange, etc.)		Veteran owner of the company should have authority on this.
		There may be two people with authority but the Veteran owner
		should be the one with the "unlimited" expressed authority.
Copies of	<u>Description</u> – Cancelled checks (written and	Rationale – CVE requests these to determine if the Veteran is
approximately <u>20</u>	cashed) normally signed by owner or authorized	authorizing financial obligations on behalf of the company and if
negotiated company	account user. Do not submit blank or voided	not, who within the company does so. In addition, CVE is
<u>checks</u>	checks.	attempting to identify if the checks are from the company or are
		being authored from another business. If the applicant uses
		electronic banking only, a Detailed Letter of Explanation stating
		this will suffice in lieu of the cancelled checks.
Payroll Distribution	<u>Description</u> - The payroll distribution ledger or W-2	Rationale - CVE requests these documents to ensure the
Ledger or W-2s (Wage	statement with all Personally Identifiable	Veteran owner meets the highest paid individual requirement.
and Tax Statement) for	Information (PII) redacted for the full preceding	
preceding year (Full	year as well as the current year-to-date showing all	
Year) and year-to-date	employees and/or contractors and	
(Jan. to present) for	wages/commissions/distributions earned.	
employees		
Copies of last 5	<u>Description</u> - Copies of the Cover page and	Rationale - CVE requests these documents to identify if the
contracts and/or	Signature page only of the last 5 contracts and/or	concern is conducting business and determine that the Veteran
proposals to include	proposals, to include bids and purchase orders or	owner has the ability to sign documents and make decisions for
Bids and purchase	work agreements (Cover page and Signature page	the concern.
orders or work	only) that the applicant has submitted/been	
agreements (Cover	awarded.	
page and Signature		
page only).		

Management		
Information		
Current l <u>ease</u> agreements to include supporting payments	<u>Description</u> - The lease agreement is an agreement between a landlord and tenant that sets out the terms under which a tenant may occupy and use a commercial property. It also creates a legal right for the tenant to occupy the property. Other types of agreements are similar. The supporting payments (checks, etc.) document the agreements are in effect.	Rationale – Enables CVE to verify the business address and that the concern has the legal authority to occupy the space. Includes lease, management, or service agreements. CVE may review 2-3 random months of checks to validate that the Veteran applicant company is actually making payment for the binding services, demonstrating that applicant is not dependent on another firm.
Management and	<u>Description</u> - These agreements are established	Rationale – Enables CVE to verify the business address and that
Services agreements to	between the concern and service provider and	the concern has the legal authority to use the management
include supporting	generally incorporated or attached to an	services.
payments	occupancy lease agreement. They define the	
	terms under which a tenant may use a commercial	
	property and its services (communication, mail	
	services, etc.). The supporting payments (checks,	
	etc.) document the agreements are in effect.	
Operating Agreement	<u>Description</u> - An agreement among Limited Liability	Rationale – Enables CVE to determine that the Veteran owner
including all	Company (LLC) members governing the LLC's	has requisite ownership and control of the firm, and the concern
amendments	business and their financial and managerial rights	has full expressed written authority to make all final decisions
	and duties. Many states require a LLC to have an	regarding the operations of the company and authority to bind
	Operating Agreement. Operating Agreements	the company on all contracts. The Veteran applicant should
	generally address the members percentage	have sole expressed authority per the Operating Agreement
	interests in the LLC, rights and responsibilities,	without consent of the member limited partners.
	voting powers, how profits and losses will be	
	allocated, how the LLC will be managed, rules for	
	holding meetings and taking votes, and buy-out	
	and sell provisions, which determine what happens	
	when a member wants to sell his interest, dies, or becomes disabled.	
Legal Structure		
Voting agreements or	<u>Description</u> - May be a separate agreement or	Rationale – Enables CVE to confirm the Veteran controls at least
documents (i.e.,	incorporated into a concern's organizing	51% of the total votes. This can be validated in the minutes of

proxies and voting trust agreements)	documents which identifies the percentage of voting rights for decision within a concern's operations.	Stockholders or Board of Directors meetings as well as a separate document signed by all owners.
Shareholders	Description - An employment agreement among	Rationale – Enables CVE to determine that the Veteran has
Agreement, including	the shareholders of a small corporation permitting	authority to make management decisions, and has control over
all amendments	a shareholder to take a management position with	decisions. The Shareholder agreement will identify the
	the corporation without any claim of conflict of	controlling shareholder of the corporation, their
	interest or self-dealing against the shareholder.	responsibilities, and their rights as the controlling shareholder.
		Their rights should authorize them to make prevailing
		managerial decisions without authorization from other
		shareholders.
Equity participation or	<u>Description</u> - An employer must prepare an equity	Rationale – Enables CVE to determine if the Veteran has control
equity plans, restricted	plan which complies with the requirements set	of the applicant concern, by identifying equity ownership and
stock or ownership	forth in the Employment Equity Act. The plan must	authority for the granting of equity.
interests or options for	list the positive policies and practices that the	
stock or ownership	employer intends to institute in the next one to	
interest or plans	three years to correct under-representation of	
	designated group members which has been	
	identified in the workforce analysis.	
Official Certificate of	<u>Description</u> - Official letter from the secretary of	Rationale – Enables CVE to verify address and company name
<u>Formation</u>	state reflecting the applicant is authorized to do	and ensure the applicant is registered with the state as a
	business in the state.	business.
Minutes of the first and	<u>Description</u> - Permanent, formal, and detailed	Rationale – Identifies individuals authorized to make and carry
most recent	(although not verbatim) record of business	out actions on behalf of the corporation. The Veteran applicant
Stockholder and Board	transacted, and resolutions adopted to exercise the	must control business decisions. Minutes must explain any
of Directors meetings	rights and powers and to perform the duties and	changes since the establishment of any organizing documents .
	obligations in accordance with the corporation's	
	organizing documents. Minutes are considered	
	legal documents by auditors, IRS and courts, and	
All as a second a land	they represent the actions of the board.	Buttonia Stable CVS to delegate the best by the
All corporate bylaws	<u>Description</u> - Bylaws governing the organization to	Rationale – Enables CVE to determine whether the Veteran has
and all amendments	include the Board of Directors and Officers and	control, as these documents outline who controls and operates
	their responsibilities	the company and how it is operated.

Articles/Certificate of	<u>Description</u> - Also referred to as the Certificate of	Rationale –Helps CVE determine or validate management of the
Incorporation filed with	Incorporation (or the Corporate Charter) is a	corporation. Included are: the name and address of the
the Secretary of State	document which sets forth the basic terms of a	corporation; its general purpose; the number and type of shares
including all	corporation's existence. The document includes the	of stock to be issued and any special characteristics thereof; and
amendments	corporation name, names of persons organizing the	regulates the issuance of stock.
	corporation, purpose of the corporation, the	
	issuance of stock, and the location of the	
	corporation.	
Stock registers for	<u>Description</u> - A stock ledger is used to record the	Rationale – Helps CVE determine majority ownership. Identifies
Applicant or stock	owners of a corporation. Stock certificates are	the total number of membership units "issued" within the
<u>ledgers</u> showing a	issued to shareholders in a corporation and	company, to include the total number issued to the Veteran
listing of all shares of	certificates of ownership are issued to members in	applicant-owner. The total number of units issued divided by
issuance	an LLC. All certificates must be tracked regardless	the overall number will provide the percentage of the company
	of age. It will include the name of the owners,	owned by the Veteran. This percentage should be at least 51%
	number of the certificates, number of membership	or greater.
	units issued to a particular owner, who sold the	
	units to the owner, and the type of membership	
	units stock issued to the owner.	
Other Documents		
Letter of Explanation -	<u>Description</u> - The Veteran owner must	Rationale - One or more Veteran(s) must be able to control the
Control	demonstrate he/she has have control over the	concern's decision-making without requiring the presence or
	decision making, finances, and management of the	assent of a non-Veteran. One or more non-Veterans cannot
	concern. Although delineation of functions and	outvote the Veteran.
	responsibilities such as check writing is permissible,	
	the concern should have a policy identifying what	
	functions and responsibilities have been delegated	
	and to whom.	
Letter of Explanation -	<u>Description</u> - Joint ownership of property between	Rationale - The Veteran should provide a letter of disclaimer of
Community Property	married couples that is recognized in the following	Community Property interest in which the non-Veteran spouse
	jurisdictions: Arizona, California, Guam, Idaho,	disclaims his/her Community Property interest in the concern.
	Louisiana, Nevada, New Mexico, Puerto Rico,	The disclaimer letter should be signed by the non-Veteran
	Texas, Washington, and Wisconsin. In certain	spouse disclaiming interest.
		'
	jurisdictions, married couples can elect to have	

	property by stating so in a written contract.	
Letter of Explanation - Highest Paid	<u>Description</u> - Documentation that explains why the Veteran owner(s) is not the highest paid employee	Rationale - The applicant must provide a letter of explanation identifying how the Veteran receiving a lower salary, or no salary, benefits the applicant.
Letter of Explanation - Outside Employment	<u>Description</u> - Documentation that supports that the Veteran owner(s) holding outside employment, management positions, or ownership in other entities.	Rationale - The concern must provide a letter of explanation outlining the impact this outside activity may have on the owner's ability to manage and control the concern; how these activities affect the Veteran/Service-Disabled Veteran's ability to work sustained and significant hours during the normal business hours of other companies in related fields as well as how these activities impact the Veteran's ability to manage the day-to-day business of the concern.
Letter of Explanation - Ownership	<u>Description</u> - Documentation provided must support the Veteran owner having 51% ownership of the applicant.	Rationale - The Veteran must own at least 51% of the applicant
Letter of Explanation - Documents not required to be filed with the state or territory	<u>Description</u> - State or territory does not require certain documents such as a partnership or operating agreement to be filed as part of business registration.	Rationale - The concern must provide a letter of explanation clearly delineating all elements of an operating agreement to include how the company is organized and managed, how decisions are made, number of partners and/or members, roles, responsibilities, and voting rights of each. For other documents such as licenses, the concern must provide a LOE stating such.
Letter of Explanation - Start up	<u>Description</u> - Concern is a start-up and less than 6 months old at time of application.	Rationale - Business taxes must be provided along with a Letter of Explanation for the years not provided. If the company is six months or less old and the company does not have 20 cancelled checks or payroll, a Letter of Explanation must be submitted to provide an explanation that the items are not available or concern has not generated a payroll due to being a startup business.

Letter of Explanation -	<u>Description</u> - Veteran obtained majority ownership	Rationale - Veteran obtained majority ownership of concern
Transfer of ownership	of concern from a spouse and/or immediate family	from a spouse and/or immediate family member within the last
to/from a family	member within 2 years of applying.	two years and the spouse and/or immediate family member
member		who transferred ownership remains involved in the concern in a
		key personnel role, a Letter of Explanation must be provided
		describing the management experience and job related skills the
		Veteran holds pertaining to the particular industry of the
		concern.

Joint Venture

Document Type	Description	Rationale
General Information		
Trade licenses and certifications	<u>Description</u> - Trade licenses and certifications are issued after determining applicant has satisfied the applicable industry criteria within the business segment. They are then authorized to operate the specific type of business or specialty identified on the license. For an assumed or fictitious name, an official letter from the state that the concern has registered under an assumed or fictitious name (e.g., doing business as - d/b/a).	Rationale – Used to determine if the concern is operating the "trade" of business legally in the state where it is chartered to perform services and the Veteran owner has the appropriate knowledge and skill level to operate in that field. In the case of an assumed or fictitious name, it helps to identify the name (e.g., d/b/a) a concern is operating under.
Approval letters for businesses with Sensitive Compartmented Information Facility (SCIF) or "Vault"	Description - A SCIF or Top Secret facility is a container, room or building where classified material is stored or handled. The security officer oversees access to this facility.	Rationale – Used to determine control. This document is reviewed because the Veteran or person who has majority control of the company is usually listed as the Primary Security Officer or as the alternate for access to these facilities. This is more prevalent in small to mid-size (up to 100 employees) companies.
Resumes of all owners, directors, partners, officers and other key personnel	Description - One to two-page chronological resume listing the current and previous occupation, job description/duties, education, personal identifying information, dates, skills, abilities, and etc.	Rationale – The reflected experience level helps CVE determine the Veteran owner's ability to control and manage the applicant concern. The resume is reviewed to determine if he/she has the prerequisites, qualifications, and knowledge to operate and manage the type of company as identified.

Document Type	Description	Rationale
For Joint Ventures,	<u>Description</u> – Use the descriptions in Sections 2.3	Rationale – Use the review guidance in Sections 2.3 or 2.4 for
applicable Federal Tax	or 2.4 for the applicable business types.	the applicable business types.
Returns based on		
business type for the		
last three years for		
each participant		
K-1	Description - Shows ownership percentages of the	Rationale –Used to determine ownership and any ownership
	applicant	changes
Signature cards	Description - Card that a customer signs when	Rationale – Used to determine control. The bank signature card
authenticated by	opening an account at a financial institution. It	identifies who within the company has the authority to
financial institutions	identifies the depositor. A corporate signature card	authorize and sign checks on behalf of the company. The
(Banks, Credit Unions,	bears the names of the firm's officers authorized to	Veteran owner of the company should have authority on this.
etc.)	sign checks or transfer funds.	There may be two people with authority but the Veteran owner
		should be the one with the "unlimited" expressed authority.
On-line banking letter	Description - Letter from a financial institution	Rationale – Used to determine control. The letter identifies who
(reserved for on-line	identifying the account owner and authorized	within the company has the authority to authorize and make
banks only (i.e., USAA,	users.	withdrawals and deposits on behalf of the company. The
Orange, etc.)		Veteran owner of the company should have authority on this.
		There may be two people with authority but the Veteran owner
		should be the one with the "unlimited" expressed authority.
Copies of	<u>Description</u> – Cancelled checks (written and	Rationale – CVE requests these to determine if the Veteran is
approximately <u>20</u>	cashed) normally signed by owner or authorized	authorizing financial obligations on behalf of the company and if
negotiated company	account user. Do not submit blank or voided	not, who within the company does so. In addition, CVE is
<u>checks</u>	checks.	attempting to identify if the checks are from the company or are
		being authored from another business. If the applicant uses
		electronic banking only, a Detailed Letter of Explanation stating
		this will suffice in lieu of the cancelled checks.
Copies of last 5	<u>Description</u> - Copies of the Cover page and	Rationale - CVE requests these documents to identify if the
contracts and/or	Signature page only of the last 5 contracts and/or	concern is conducting business and determine that the Veteran
proposals to include	proposals, to include bids and purchase orders or	owner has the ability to sign documents and make decisions for
Bids and purchase	work agreements (Cover page and Signature page	the concern.
orders or work	only) that the applicant has submitted/been	
agreements (Cover	awarded.	

Document Type	Description	Rationale
page and Signature		
page only).		
Management		
Information		
Current l <u>ease</u>	<u>Description</u> - The lease agreement is an agreement	Rationale – Enables CVE to verify the business address and that
agreements to include	between a landlord and tenant that sets out the	the concern has the legal authority to occupy the space.
supporting payments	terms under which a tenant may occupy and use a	Includes lease, management, or service agreements. CVE may
	commercial property. It also creates a legal right	review 2-3 random months of checks to validate that the
	for the tenant to occupy the property. Other types	Veteran applicant company is actually making payment for the
	of agreements are similar. The supporting	binding services, demonstrating that applicant is not dependent
	payments (checks, etc.) document the agreements	on another firm.
	are in effect.	
Management and	<u>Description</u> - These agreements are established	Rationale – Enables CVE to verify the business address and that
Services agreements to	between the concern and service provider and	the concern has the legal authority to use the management
include supporting	generally incorporated or attached to an	services.
payments	occupancy lease agreement. They define the	
	terms under which a tenant may use a commercial	
	property and its services (communication, mail	
	services, etc.). The supporting payments (checks,	
	etc.) document the agreements are in effect.	
Voting agreements or	<u>Description</u> - May be a separate agreement or	Rationale –Enables CVE to confirm the Veteran controls at least
documents (i.e.,	incorporated into a concern's organizing	51% of the total votes. This can be validated in the minutes of
proxies and voting trust	documents which identifies the percentage of	Stockholders or Board of Directors meetings as well as a
agreements)	voting rights for decision within a concern's	separate document signed by all owners.
	operations.	
<u>Shareholders</u>	<u>Description</u> - An employment agreement among	Rationale – Enables CVE to determine that the Veteran has
Agreement, including	the shareholders of a small corporation permitting	authority to make management decisions, and has control over
all amendments	a shareholder to take a management position with	decisions. The Shareholder agreement will identify the
	the corporation without any claim of conflict of	controlling shareholder of the corporation, their
	interest or self-dealing against the shareholder.	responsibilities, and their rights as the controlling shareholder .
		Their rights should authorize them to make prevailing

Document Type	Description	Rationale
		managerial decisions without authorization from other shareholders.
Equity participation or equity plans, restricted stock or ownership interests or options for stock or ownership interest or plans	Description - An employer must prepare an equity plan which complies with the requirements set forth in the Employment Equity Act. The plan must list the positive policies and practices that the employer intends to institute in the next one to three years to correct under-representation of designated group members which has been identified in the workforce analysis.	Rationale – Enables CVE to determine if the Veteran has control of the applicant concern, by identifying equity ownership and authority for the granting of equity.
Joint Venture Agreement and current opportunity on which joint venture is bidding	<u>Description</u> - A written agreement which identifies the nature of the joint venture (JV), capital and resources contributed by each JV, and their rights and responsibilities. The current opportunity is what the JV is bidding on and is one of the underlying reasons for formation	Rationale – Helps CVE determine control of the JV. Veteran applicant must exert majority control of the JV over management decisions and day-to-day operations. Veteran applicant must own a majority of the JV in terms of revenue received from the JV.